

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-040-W/S - ORDER NO. 96-590
AUGUST 26, 1996

IN RE: Request of Carolina Water Service, Inc.)	ORDER
for Recovery of Costs for Bulk Water and)	GRANTING
Sewer Services for River Hills Service)	REQUEST TO
Area in York County, South Carolina.)	WITHDRAW AND
)	AUTHORIZING
)	RECOVERY OF
)	COST OF
)	BULK SERVICES

INTRODUCTION

This matter is before the Public Service Commission of South Carolina (the "Commission") as a consequence of Order No. 95-1762 issued in Docket No. 95-794-W/S on December 28, 1995, as well as for consideration of the Request of the Consumer Advocate for the State of South Carolina (the "Consumer Advocate") to withdraw his Petition to Intervene. In Order No. 95-1762, the Commission approved the request of Carolina Water Service, Inc. ("CWS" or the "Company") to withdraw an Application in which CWS sought approval of certain rates to be charged on a "pass through" basis to the Company's customers in its River Hills service area. Those rates were intended to permit recovery of the costs for bulk water supply and wastewater transportation service which York County, South Carolina, (the "County") had agreed to provide CWS under the terms of an agreement between CWS and the County, dated January

28, 1992 (the "Agreement").

Our Order No. 95-1762 closed Docket No. 95-794-W/S and limited the rates and charges which CWS could collect from its River Hills customers after interconnection with the County's systems until the affected customers were given proper notice and the Commission had taken such further action as it deemed necessary.

Thereafter, the Commission's Executive Director instructed the Company to publish a prepared Notice of Filing and to furnish a copy of certain prepared Notices of Filing to each affected residential and commercial customer. The Notices advised interested persons of the effect of the "pass-through" rates which CWS proposed to collect as a consequence of the Agreement. The Notices also described the manner in which interested persons might participate in the Commission's proceeding.

In response to the Commission's Notices of Filing, numerous parties filed Petitions to Intervene in this proceeding. Those parties included the Riverhills Marina Club, Inc.; Jonathon Edwards (Oak Ridge Community, Inc.); River Hills Community Association, Inc.; Lake Wylie Plaza Merchants Association; YMCA Camp Thunderbird (Lake Wylie Community Non-Profit Business); Riverfront Association; Lake Wylie Independent Businesses; Five Points Community Association; and the Consumer Advocate (collectively, the "Intervenors").

On April 11, 1996, the Commission issued Notices of Hearing, by which the Commission advised CWS and the Intervenors that the

Commission had scheduled a night hearing in the River Hills area and the Commission's evidentiary hearing for May 30, 1996, and June 19, 1996, respectively. By Order No. 96-352, issued on May 17, 1996, the Commission rescheduled those hearings for August 26, 1996, and August 27, 1996, respectively.

Thereafter, by separate Motions, all of the Intervenors withdrew their interventions in this proceeding. In response, the Company requested the Commission to rescind the requirement for a hearing in this matter and make its disposition of the issues.

DISCUSSION

Based upon the absence of any objection and in light of certain previous determinations, the Commission considers that the public interest would be served by entering an Order in this matter authorizing the Consumer Advocate to withdraw his intervention, and authorizing the Company to adjust its rate and recover the cost of the County's bulk services without the conduct of an evidentiary hearing.

On July 10, 1992, the Commission issued Order No. 92-537 in Docket No. 92-123-W/S, a proceeding which concerned an expansion of the Company's service area in York County and certain related issues.

In Order No. 93-402, issued on May 11, 1993, in Docket No. 91-641-W/S, a general ratemaking proceeding for the Company, the Commission encouraged CWS to enter into bulk contracts for water and wastewater services. The Commission established a procedure for filing and notification of such bulk service contracts and

approved a standard tariff provision permitting the "pass through" to the affected customers of the costs of such contracts between the Company and bulk suppliers. The Commission continued to approve the tariff provision allowing the "pass through" of bulk service costs in the Company's most recent general rate case. See Order No. 94-484, issued in Docket No. 93-738-W/S on May 31, 1994.

Based upon these previous determinations and our present review of this matter, the Commission will authorize CWS to implement the rates and charges to the affected customers by passing through to the affected customers in the River Hills service area the costs of the bulk services to be provided under the Agreement and by adjusting its rates as previously established by the Commission. After interconnection with the County, the Company's rates for its services will be adjusted to the rates for River Hills fixed in Appendix A of Order No. 94-484, dated May 31, 1994, reflecting the charges for the water distribution services and sewer collection services which CWS will thereafter provide. The Company may collect the authorized rates and charges for service rendered on and after the interconnection of its systems with the County's systems. The Commission will require the Company to advise the Commission Staff (the "Staff") of the date of such interconnections within two (2) business days of such interconnections. CWS must show the County's charges for the bulk services as separate charges on the Company's bills.

The Commission considers that the Company arrangement with the County will enable CWS to continue to provide an adequate

supply of quality water to its River Hills customers and to continue to provide them safe and sanitary wastewater services through connections to the County's larger regional systems.

IT IS THEREFORE ORDERED:

1. That the Consumer Advocate's request to withdraw intervention is granted.

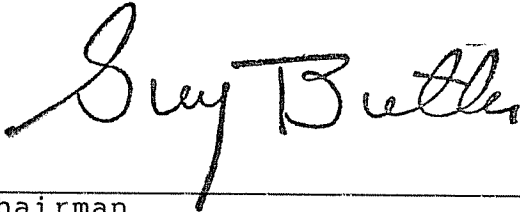
2. That Carolina Water Service, Inc., be, and hereby is, ordered to adjust its rates and charges to collect from the affected customers in the River Hills service area the costs associated with the bulk services agreement with York County, dated January 28, 1992, in accordance with the provisions of this Order and Order No. 94-484, as described herein, for service rendered on and after the dates of interconnection of the systems.

3. That Carolina Water Service, Inc. include separate line items on its bills to River Hills customers to reflect the charges resulting from the County's services.


4. That Carolina Water Service, Inc. notify the Staff of the interconnections of York County's water and wastewater systems within two (2) business days of such interconnections.

5. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director
(SEAL)